

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
vs. ) CASE NO. 3:17-cr-00164-TMB  
 ) 3:17-cr-00163-TMB  
PARAS JHA, )  
 )  
Defendant. )  
----- )

PARTIAL TRANSCRIPT OF IMPOSITION OF SENTENCE  
(Final Portion of Hearing - Public Proceedings)  
**BEFORE THE HONORABLE TIMOTHY M. BURGESS, DISTRICT JUDGE**  
September 18, 2018; 1:08 p.m.  
Anchorage, Alaska

**FOR THE GOVERNMENT:**

Office of the United States Attorney  
BY: ADAM ALEXANDER  
BY: CATHERINE ALDEN PELKER  
222 West 7th Avenue, #9  
Anchorage, Alaska 99513  
(907) 271-5071

**FOR THE DEFENDANT:**

Law Offices of Robert G. Stahl, LLC  
BY: ROBERT GEORGE STAHL  
220 Saint Paul Street  
Westfield, New Jersey 07090  
(908) 301-9001

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**SONJA L. REEVES, RMR-CRR**  
Federal Official Court Reporter  
222 West 7th Avenue, #4  
Anchorage, Alaska 99513  
Transcript Produced from the Stenographic Record

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
vs. ) CASE NO. 3:17-cr-00166-TMB  
 ) 3:17-cr-00167-TMB  
DALTON NORMAN, )  
 )  
Defendant. )  
----- )

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(Final Portion of Hearing - Public Proceedings)  
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BY: CATHERINE ALDEN PELKER  
222 West 7th Avenue, #9  
Anchorage, Alaska 99513  
(907) 271-5071

**FOR THE DEFENDANT:**

Nesbett & Nesbett, P.C.  
BY: DAVID A. NESBETT  
750 West 2nd Avenue, Suite 105  
Anchorage, Alaska 99501  
(907) 770-6920

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Federal Official Court Reporter  
222 West 7th Avenue, #4  
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1 UNITED STATES DISTRICT COURT  
2 FOR THE DISTRICT OF ALASKA

3 UNITED STATES OF AMERICA, )  
4 Plaintiff, )  
5 vs. ) CASE NO. 3:17-cr-00165-TMB  
6 JOSIAH WHITE, )  
7 Defendant. )  
8 ----- )

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(Final Portion of Hearing - Public Proceedings)  
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BY: ADAM ALEXANDER  
15 BY: CATHERINE ALDEN PELKER  
222 West 7th Avenue, #9  
16 Anchorage, Alaska 99513  
(907) 271-5071

17 **FOR THE DEFENDANT:**

18 Office of the Federal Public Defender  
BY: F. RICHARD CURTNER  
19 601 West 5th Avenue, Suite 800  
Anchorage, Alaska 99501  
20 (907) 646-3400

21  
22  
23 **SONJA L. REEVES, RMR-CRR**  
Federal Official Court Reporter  
24 222 West 7th Avenue, #4  
Anchorage, Alaska 99513  
25 Transcript Produced from the Stenographic Record

1 (Call to Order of the Court at 1:08 p.m.)

2 (Proceedings took place that are not included  
3 in this Partial Transcript, after which, proceedings  
4 continued as follows:)

5 DEPUTY CLERK: All rise. His Honor, the Court,  
6 the United States District Court for the District of  
7 Alaska is again in session.

8 Please be seated.

9 THE COURT: Have a seat everybody. Sorry, my  
10 apologies. So we -- what I would like to do is hear  
11 from the parties as to your recommendation as to an  
12 appropriate sentence, taking into consideration the  
13 factors that are identified in 18 United States Code,  
14 Section 3553(a).

15 What I would like to do is give you an idea of  
16 what I think is probably the appropriate result, and  
17 then you can convince me I'm right or wrong as you go  
18 forward, but I think it's valuable for Counsel to  
19 understand sort of how I view the case to help inform  
20 your comments.

21 So again, you know, the 34 -- the 3553(a)  
22 factors that I think are implicated here are: One, the  
23 sentence to reflect the seriousness of the offense, and  
24 as we heard from the testimony today, just how serious  
25 the offenses in both cases were. So I think that has

1    been established in the evidence that's been presented  
2    to the Court.

3           I think deterrence of criminal conduct is also  
4    important. These are obviously very difficult cases to  
5    investigate, and it's important that there are  
6    consequences for this type of conduct. So I think, you  
7    know, the deterrence is important.

8           I think protecting the public from further  
9    crimes of each of the defendants is also an important  
10   consideration. I'll tell you my initial analysis is I  
11   don't think it's as important in this case. I think  
12   they are incredibly young, and I think they have shown  
13   indications that they are willing to change their ways  
14   going forward. So I think that's of a less concern to  
15   me.

16           And then, obviously, restitution is going to be  
17   an important factor in this case. So taking those  
18   factors into consideration, I think that something other  
19   than a jail term is appropriate in this case. Again, I  
20   think these are very young defendants, they have a lot  
21   of opportunities ahead of them if they can focus their  
22   energy in the right way, their energy and their talent.

23           So I do think a probationary sentence is  
24   appropriate for a couple of reasons. One is I think  
25   when I look at those 3553(a) factors I listed, I think

1 it argues for a probationary sentence rather than a jail  
2 sentence.

3 The other advantage is this: I can be assured  
4 that their behavior will conform to societal norms for a  
5 longer period if they are on probation than if they are  
6 on supervised release. Supervised release is limited to  
7 three years. Probation is five years.

8 And more importantly, you know, the Government  
9 has probably heard me make reference to this, and I know  
10 Mr. Curtner has heard me make reference to this before,  
11 but they have the sort of Damocles hanging over their  
12 head for that five-year period.

13 That means if you don't behave and you engage  
14 in this type of behavior in the future, you will be back  
15 in front of me, and you're looking at the same potential  
16 sentence you were looking at today. So I think there is  
17 -- I think there is a great incentive to the defendants  
18 to do the right thing and not violate in the future.

19 So for those reasons, I do think that a  
20 probationary sentence is more appropriate in this case  
21 than a term of imprisonment. That's my initial read on  
22 the case.

23 So I'll first hear from the Government, then  
24 I'll hear from each of the defense counsel, if there is  
25 anything anybody wants to add, and then I'll hear from

1 the defendants if there is anything they want to say.

2 MS. PELKER: Thank you, Your Honor. I think  
3 what we have here really is a unique circumstance and  
4 that is what's leading the Government to not oppose the  
5 probation officer's recommendation of probation. And  
6 that's particularly in light of the defendants'  
7 extensive cooperation and what's outlined in the  
8 Government's motion for a downward departure pursuant to  
9 5K1.1.

10 The Government would emphasize here though that  
11 this was incredibly severe conduct and that absent that  
12 cooperation, the Government would be asking for a period  
13 of incarceration here.

14 We have defendants who certainly were youthful  
15 offenders with no criminal history. They did accept  
16 responsibility, which were all significant mitigating  
17 factors, but they don't excuse the underlying conduct  
18 where we have the development of the Mirai botnet that  
19 was a massive internet of things, botnet of the sort  
20 that the Government at that point and security  
21 researchers had never seen before, that took advantage  
22 of very novel vulnerabilities to infect hundreds of  
23 thousands of devices, including devices of victims here  
24 in the District of Alaska.

25 And the defendants used those cyber skills that

1 we're hopeful will help them become positive  
2 contributors to society in this case to build this  
3 botnet and then to launch devastating attacks against  
4 victims, both for financial gain as well as out of  
5 personal animosity.

6 And then even after the defendants learned that  
7 the FBI was onto them, they went on to continue their  
8 criminal activity in developing and building this  
9 clickfraud botnet, again, using their incredible talents  
10 that they have unfortunately been able to hone over  
11 years of criminal activity.

12 The Government is very encouraged that the  
13 defendants appear to be on a very positive path toward  
14 rehabilitation here. The Government would like to see a  
15 sentence that's crafted to support that sort of  
16 rehabilitation, but the Government does posit that five  
17 years of probation is appropriate to allow for the  
18 extended supervision and the period of supervision that  
19 the Court referenced.

20 The additional 2500 hours here will address not  
21 just the severity of the defendants' underlying criminal  
22 activity that they are being sentenced for, but also we  
23 hope to reduce that chance of recidivism. The  
24 2500 hours amounts to about ten hours a week. We would  
25 like that to be defined to consist of work by, for or



1 through the FBI.

2 THE COURT: You asked for 2500 hours?

3 MS. PELKER: 2500 hours of community work  
4 service, which we recognize is a sizeable amount of time  
5 but, given that it's extended out across the five years,  
6 amounts to about ten hours a week, and would allow the  
7 defendants to continue the type of work they have been  
8 doing and that we detailed in our filings for the FBI  
9 and benefiting cyber security researchers to date.

10 Here this will, in addition to the supervision  
11 that's always already going to be provided by the  
12 probation officer, it will allow the defendants to  
13 continue their work with the FBI, who is going to be an  
14 added check on any potential inclination by the  
15 defendants to return to their previous illicit  
16 activities.

17 We do believe that there is an ongoing  
18 obligation to protect the public here. Unfortunately,  
19 the defendants, in returning back to the clickfraud  
20 botnet after developing and building Mirai, have shown  
21 that they do have an inclination to engage in this type  
22 of criminal activity.

23 We definitely have seen that since they have  
24 agreed to cooperate with the Government that they have  
25 engaged in extensive cooperation that's been incredibly

1     valuable, but we want to see them on a path to continue  
2     down that road.

3             THE COURT: All right. Thank you very much.

4             Well, you look like you're next in line,  
5     Mr. Curtner.

6             MR. CURTNER: Well, Judge, first of all, let me  
7     say I think you're right, and so normally I would spend  
8     more time --

9             THE COURT: Telling me I'm wrong?

10            MR. CURTNER: No, in advocating for what I  
11     think is a proper sentence, but I think it's very clear  
12     the whole picture that's been presented to the Court  
13     that probation is appropriate for Mr. White.

14            He is obviously a young and brilliant young man  
15     as far as computers are concerned. And I think he had a  
16     tremendous lapse in judgment. I think he recognizes  
17     that now. And it's been a learning experience for him,  
18     and so I really don't think you'll ever see him again.  
19     And I think he's certainly on the right path, and so I  
20     think probation is the appropriate sentence in this  
21     case.

22            THE COURT: All right.

23            Mr. White, is there anything you want to say?  
24     You don't have to say anything, but if there is anything  
25     you want to say, this is your opportunity.

1           DEFENDANT WHITE: No, Your Honor.

2           THE COURT: Okay.

3           MR. STAHL: Thank you, Your Honor. Obviously  
4 we were one of those extensive lengthy sentencing  
5 submissions you referred to, so I rely --

6           THE COURT: It's in a binder actually.

7           MR. STAHL: That's how I like to go.

8           Your Honor, obviously, we agree with both the  
9 Government and probation department and the PSR for five  
10 years of probation.

11           I would add, because of Mr. Jha's unique  
12 circumstances of school and work, and I'll explain that  
13 in a moment, that I ask Your Honor to waive the home  
14 confinement or a curfew provision, and it's because of  
15 the following:

16           As you know from our submission, Mr. Jha is in  
17 the School 42, and it's not the typical university  
18 setting where there is day classes or evening classes.

19           THE COURT: I thought it was all online.

20           MR. STAHL: No, no, he's actually in the Bay  
21 area in a dormitory. In addition to that they work  
22 their own hours in the computer lab in the school,  
23 Mr. Jha is also an RA. And he's in the dorm of  
24 400-some-odd students, and he is tasked at all hours of  
25 the day and night to go out and to go to different areas

1 of the dorm when students lock themselves out, when they  
2 have other issues, computer issues, and all sorts of  
3 things that go on with young people being forgetful and  
4 things.

5 So to have him under a curfew or electronic  
6 monitoring, some type of system where he would be in his  
7 room for particular hours, would be impractical. I have  
8 discussed this with the Government. I don't know if  
9 they still take the position that they did in the  
10 sentencing memo, but I think in his circumstances, it is  
11 impractical.

12 And quite frankly, it's not necessary. Mr. Jha  
13 has been not only working extensively with the  
14 Government for the past year plus, he's also been out at  
15 the school, as Your Honor knows, for a considerable  
16 period of time and has had no issues at all with his  
17 computer use. It's an advanced course.

18 He's not only an RA there, but he is one of the  
19 trusted members of the school that has solved the  
20 computer issues for what is an advanced computer school  
21 and has received recognition from the school for solving  
22 their network and other problems.

23 So I don't disagree with the five years  
24 probation. I don't disagree with the hours of community  
25 service. I simply would ask the Court to waive any

1 provision about a curfew or some type of monitoring  
2 based upon his situation right now.

3 THE COURT: Let me stop you for a second.  
4 What's the Government position on the --

5 MS. PELKER: I believe we would defer to the  
6 Court to the extent it would impact the defendant's  
7 ability to continue with his educational  
8 responsibilities.

9 THE COURT: Do you feel the same way for all  
10 three defendants, or I mean, what if we just took an  
11 incremental approach and not impose the home  
12 confinement, the GPS and home confinement at this point,  
13 as long as they are pursuing their community service,  
14 pursuing educational opportunities or work, any  
15 combination of those things.

16 If there needs -- if for some reason they end  
17 up violating the Court's trust and we need to tighten  
18 the conditions, you can always seek a modification of  
19 supervision.

20 MS. PELKER: That's fine with the Government.

21 THE COURT: So I think we have taken care of  
22 that for all three defendants.

23 MR. STAHL: Thank you, Judge. And just last,  
24 we don't take any issue with the restitution number that  
25 has been arrived at.

1           And I would just ask, based upon the  
2   restitution, based upon Mr. Jha as a full-time student,  
3   he has a part-time job now, that you would waive any  
4   fine.

5           THE COURT: I'm not going to impose any fine.

6           MR. STAHL: Then I will sit down.

7           THE COURT: Thank you.

8           Mr. Jha, is there anything you would like to  
9   say? Again, you don't have to say anything, but if  
10   there is anything you would like to say, this is your  
11   opportunity.

12           DEFENDANT JHA: Yes, Your Honor. I realize  
13   we're all here because of me and the mistakes that I  
14   made. I'm fully sorry for my actions, and I apologize  
15   to the people and businesses that were impacted by them.

16           I'm sorry for the family, friends for putting  
17   them in trouble with the FBI. I'm sorry for the attacks  
18   against Rutgers and apologize to the students and  
19   faculty that were affected.

20           I didn't think of them as real people because  
21   everything I did was online in a virtual world. Now I  
22   realize I have hurt real people and businesses and  
23   understand the extent of damages I did.

24           What started off as a small mistake continued  
25   down a slippery slope to a point where I am ashamed to

1 admit what I have become. I had not stopped to consider  
2 the damage that my action was causing.

3 I have hurt my parents, my family, my friends.  
4 I lied to them and broke their trust. I want to say I'm  
5 really sorry to my mother, my father, and my family and  
6 friends for putting them through this.

7 Two years ago when I first met Special Agent  
8 Elliott Peterson, I was an arrogant fool believing that  
9 somehow I was untouchable. When I met him in person for  
10 the second time, he told me something that I'll never  
11 forget: "You're in a hole right now. It's time you  
12 start digging."

13 Looking up from my hole, I came to realize just  
14 how far I had fallen. At that point, I was at a  
15 crossroads in my life. I could choose to ignore the  
16 consequences of my actions, or I could face my situation  
17 head on and start my journey back up.

18 The first step to doing right was being open  
19 and honest with the transgressions. Only then would I  
20 be able to start making changes in my life. Otherwise,  
21 I will always have something to hide.

22 This transparency has allowed me a fresh start  
23 in life from assisting the FBI in several cases to  
24 attending school, to making real friends and holding  
25 down a job in a field I like.

1 I have continued to use these skills for the  
2 betterment of society and to start giving back some of  
3 what I have taken. I cannot change the past and have to  
4 live with the consequences of those actions. I take  
5 responsibility for my mistakes, and, once again, say  
6 sorry to all the people that were affected.

7 I'd also like to thank my family, my friends  
8 and Agent Peterson for helping me through this. I know  
9 that rebuilding trust is a monumental task, one that I  
10 hope to rise up to, starting with the changes I have  
11 already made in my life.

12 THE COURT: Thank you very much.

13 MR. STAHL: Thank you, Your Honor.

14 THE COURT: Thank you. Okay.

15 MR. NESBETT: As with the others, Mr. Norman  
16 also agrees with the proposed sentence in this case, and  
17 will also, to a large extent, rest on all of the  
18 extensive briefing we all have done in this case.

19 I'm sure the Court has read all of it. And one  
20 of the issues that was brought up earlier were his  
21 objections to the PSR. It's very important for  
22 Mr. Norman, throughout all of the time that we have  
23 spent together discussing the case, it has been vitally  
24 important for Mr. Norman to make sure that the Court  
25 understands that his role in the Mirai virus came in at



1 a later date chronologically.

2 It is very important that I make sure to  
3 emphasize that with the Court, that he came in in  
4 September, that his role was limited to the extent that  
5 he didn't profit from it, and he didn't draft the code,  
6 nor was -- and he was actively discouraging the others  
7 from releasing the code virus.

8 He says all of that in order to put a fence  
9 around, in his own mind, his role in that offense, not  
10 in any way to subtract from his responsibility for what  
11 happened. It's really important that I distinguish that  
12 and I help him distinguish that. But for his own sense  
13 of integrity, it is important I pointed that out to the  
14 Court.

15 And the other issue I want to emphasize from  
16 the briefing was that the length of time that all three  
17 defendants in this case, including Mr. Norman, had been  
18 working with the FBI on this establishes a very  
19 significant track record of credibility and trust with  
20 the FBI. That is very different from a typical  
21 cooperation type of environment where you come in for a  
22 debrief, for example, and you meet once or twice with  
23 the agents.

24 I think this sentence helps capture that  
25 history, which in turn I think emphasizes the likelihood

1     that they will not be back and that recidivism is not an  
2     issue that we need to worry about in this case.

3             And finally, one issue that I discussed at  
4     length, or at least mentioned in my briefing and also  
5     attached some accompanying documents to the briefing,  
6     was having to do with Mr. Norman's difficulty in speech,  
7     and this is related in some ways to his conduct in this  
8     case and his activity in computers.

9             But as a result of those disabilities, he has  
10    asked that I read a letter to you. It's not because  
11    he's nervous at public speaking necessarily. It's  
12    because he has a disability that prevents him from being  
13    able to speak to the Court, one of the reasons he was  
14    having a difficult time even answering yes or no  
15    questions to the Court earlier.

16            I would like to read that letter. Again, this  
17    is something to supplement what he has submitted  
18    already.

19            "Your Honor, I would again like to express my  
20    remorse for my actions. I now have to move forward with  
21    my life as a convicted felon. I just want everyone in  
22    this courtroom to know I'm not a malicious monster with  
23    no integrity or morals. I myself did not want to cause  
24    harm to anyone or any company by my actions of  
25    associating with Mr. Jha and Mr. White.

1           "I truly regret my failures to end this mess.  
2   I want to thank the FBI, especially Agent Peterson, for  
3   being a positive mentor through this process and by  
4   going above and beyond what was expected of him. I also  
5   would like to thank the Government for suggesting  
6   leniency, and I promise I will never be on their radar  
7   again.

8           "I would like to thank the Department of  
9   Justice and the federal court system, Your Honor, for  
10   appointing Mr. Nesbett as my attorney."

11           I didn't write that.

12           "He has worked tirelessly in my defense and I  
13   will always be in debt to him. Lastly I would like to  
14   thank you, Your Honor, for ruling today and being  
15   patient with me throughout this process. I promise Your  
16   Honor not to fail you, as I have failed myself. I have  
17   to move on in my life.

18           "It will be an uphill struggle being a  
19   convicted felon; however, my integrity has never  
20   wavered. I truly know right from wrong. I just need to  
21   synchronize my actions with my thoughts and with what my  
22   parents have instilled in me.

23           "I'm very fortunate to have a loving family who  
24   will support me through good times and bad times, as  
25   evident in the last two years. With my honor and

1 integrity still ingrained in me, I will pick up the  
2 pieces of this shattered mess and make my home in New  
3 Orleans proud of me one day again soon. I will put my  
4 mind and my skills to a positive effort for the  
5 remainder of my life.

6 "Thank you again, Your Honor, for allowing me  
7 to address the Court."

8 THE COURT: Thank you very much. I appreciate  
9 everybody's sentencing comments. You're probably happy  
10 to know you haven't changed my initial opinion that a  
11 probationary sentence for all three defendants is  
12 appropriate in this case.

13 You know, you're still very young men. I'm not  
14 sure you have any sense of -- hopefully you're getting  
15 to have a sense of, and from your statements it seemed  
16 like you're beginning to have a sense of the impact what  
17 you did had on society, on companies, on people, on your  
18 families, I mean, if you think about what you put your  
19 families through.

20 On the other hand, you know, I got to tell you  
21 you're lucky because 99 percent of the time that I  
22 sentence somebody in court here, there is nobody out  
23 there for them. So I hope when you go home tonight you  
24 thank your families for being there for you, and I hope  
25 you never put them in this situation you put them in

1 here today.

2 I am also heartened that you have developed  
3 such a good relationship with Special Agent Peterson.  
4 You know, in this political climate -- and this is not  
5 intended to be a political statement, but a lot of times  
6 you hear a lot of criticism of the FBI, but I'll tell  
7 you you couldn't pick a better role model than Agent  
8 Peterson, someone who served his country in the Marines,  
9 continues to serve his country in the FBI.

10 And I hope you take something from that,  
11 because you're young, you have a lot to give to society,  
12 and, you know, you have a lot of talent and skill. I  
13 hope you use it for good and not bad going forward.

14 So let me take these one at a time, and I'll  
15 start as I began, with Mr. White.

16 So I'm going to impose all of the special  
17 conditions that are listed, except -- with the exception  
18 -- and this is going to be true for all three defendants  
19 -- I'm not imposing condition number six, which is the  
20 monitoring system. But I am changing number one, which  
21 is the recommendation for 200 hours of community service  
22 to 2500 hours of community service during this five-year  
23 period of probation.

24 Pursuant to the Sentencing Reform Act of 1984  
25 and considering the factors found in 18 U.S.C. 3553(a),

1     which I have already articulated, it is the judgment of  
2     Court that the defendant, Josiah White, is hereby placed  
3     on probation for a term of five years.

4             While on probation, the defendant shall not  
5     commit another federal, state or local crime, shall not  
6     possess a firearm or illegal controlled substance, and  
7     shall comply with the collection of a DNA sample and  
8     shall comply with the standard as well as special  
9     conditions included in the judgment issued by the Court.

10            The mandatory condition of supervision as set  
11    forth in 18 United States Code Section 3563(a)(5)  
12    requiring the defendant to submit to drug testing is  
13    suspended because there appears to be low risk of future  
14    substance abuse by the defendant.

15            The Court finds that the defendant does not  
16    have the ability to pay a fine. It is further ordered  
17    that the defendant shall pay the United States the  
18    special assessment of \$100, which shall be paid  
19    immediately to the clerk of court.

20            It is further ordered the defendant shall pay  
21    restitution in the amount of \$127,000 consisting of  
22    \$15,000 to HyPixel, \$2,000 to Psychz Network, \$100,000  
23    to Akamai. I'm batting about 800 so far. And \$10,000  
24    to HostUS.

25            The restitution shall be joint and severally

1 with his co-defendants, Mr. Jha in case  
2 3:17-criminal-164, and Mr. Norman in case  
3 3:17-criminal-167. Any unpaid amount is to be paid  
4 during the period of supervision in monthly installments  
5 of not less than 10 percent of the defendant's gross  
6 monthly income or \$25, whichever amount is greater.  
7 Interest on the restitution shall not be waived.

8 And there was an appeal waiver; is that  
9 correct?

10 MR. ALEXANDER: Yes, Your Honor.

11 THE COURT: Mr. White, as part of your  
12 agreement in this case, you have given up your right to  
13 appeal. Do you understand that?

14 DEFENDANT WHITE: Yes, Your Honor.

15 THE COURT: Okay. Mr. Jha, again, same two  
16 changes: I'm eliminating special condition listed in  
17 number six and I'm modifying condition number one to be  
18 2500 hours.

19 Pursuant to the Sentencing Reform Act of 1984  
20 and considering the factors found in 18 United States  
21 Code Section 3553(a), it is the judgment of the Court  
22 that the defendant is hereby placed on probation for a  
23 term of five years, consisting of five years in case  
24 3:17-criminal-163 and five years in case  
25 3:17-criminal-164 to be run concurrently.

1           While on probation, the defendant shall not  
2     commit another federal, state or local crime, shall not  
3     possess a firearm or illegal controlled substance and  
4     shall comply with the collection of a DNA sample and  
5     shall comply with the standard as well as special  
6     conditions included in the judgment issued by the Court.

7           The mandatory condition of supervision set  
8     forth in 18 United States Code Section 3563(a)(a)  
9     requiring the defendant to submit to drug testing is  
10    suspended because it appears to be a low -- there  
11    appears to be low risk of future substance abuse by the  
12    defendant.

13          The Court finds the defendant does not have an  
14    ability to pay a fine. It is further ordered the  
15    defendant shall pay the United States the special  
16    assessment of \$200, which shall be paid immediately to  
17    the clerk of the court.

18          It is further ordered that the defendant shall  
19    pay restitution in the amount of \$127,000, consisting of  
20    \$15,000 to HyPixel, \$2,000 to Psychz Networks, \$100,000  
21    to Akamai and \$10,000 to HostUS. The restitution shall  
22    be joint and several with Josiah White, case  
23    3:17-criminal-165, and Dalton Norman, case  
24    3:17-criminal-167.

25          Any unpaid amount is to be paid during the



1 period of supervision and in monthly installments of not  
2 less than 10 percent of the defendant's gross monthly  
3 income or \$25, whichever amount is greater. Interest on  
4 the restitution shall not be waived.

5 Mr. Jha, same as I mentioned in regard to  
6 Mr. White, you had a waiver of your appeal rights in  
7 this case, which means you don't have a right to appeal  
8 my sentence. Do you understand that?

9 DEFENDANT JHA: Yes, Your Honor.

10 THE COURT: I'm sorry. There were no charges  
11 to dismiss for your client?

12 MR. ALEXANDER: That's correct.

13 THE COURT: For any of them?

14 MR. ALEXANDER: I think that's correct, Judge.

15 THE COURT: While I'm doing the last one, you  
16 can double-check and make sure there is no charges that  
17 need to be dismissed.

18 All right. Mr. Norman, again, of the special  
19 conditions I'm making the same modification. I'm not  
20 requiring that you wear any monitoring, but I am  
21 requiring that you do 2500 hours of community service  
22 during your five-year period of probation.

23 The same -- this goes to -- same comments to  
24 all three of you. You know, part of the reason is you  
25 can do the community service in any way you like. Like

1 I mentioned before, you can work in a soup kitchen, you  
2 can work picking up garbage, you can continue to help  
3 provide with your expert assistance that can help  
4 others. What's important is you understand that you  
5 have an obligation to give back. You have a lot of  
6 talent and skill, but it's not a one-way street.

7 Okay. Pursuant to the Sentencing Reform Act of  
8 1984 and considering the found in 18 United States Code  
9 Section 3553(a), it is the judgment of the Court that  
10 the defendant, Dalton Norman, is hereby placed on  
11 probation for a term of five years, consisting of five  
12 years in case 3:17-criminal-166, and five years in case  
13 3:17-criminal-167, to be run concurrently.

14 While on probation, the defendant shall not  
15 commit another federal, state or local crime, shall not  
16 possess a firearm or illegal controlled substance, shall  
17 comply with the collection of a DNA sample and shall  
18 comply with the standard as well as special conditions  
19 that are included in the judgment issued by the Court.

20 The mandatory condition of supervision as set  
21 forth in 18 United States Code Section 3563(a)(5)  
22 requiring the defendant submit to drug testing is  
23 suspended because there appears to be a low risk of  
24 future substance abuse by the defendant.

25 The Court finds that the defendant does not

1 have an ability to pay a fine. It is further ordered  
2 the defendant shall pay the United States the special  
3 assessment of \$200, which shall be paid immediately to  
4 the clerk of court.

5 It's further ordered that the defendant shall  
6 pay restitution in the amount of \$115,000, consisting of  
7 \$15,000 to HyPixel and \$100,000 to Akamai. The  
8 restitution shall be joint and several with Josiah White  
9 in case 3:17-criminal-165 and Paras Jha in case  
10 3:17-criminal-164.

11 Any unpaid amount is to be paid during the  
12 period of supervision in monthly installments of not  
13 less than 10 percent of defendant's gross monthly income  
14 or \$25, whichever amount is greater. Interest on the  
15 restitution shall not be waived.

16 And I think that should take care of everything  
17 unless there is anything -- I'm sorry. I forgot to  
18 mention, Mr. Norman, you also in your plea agreement  
19 agreed to give up your right to appeal. Do you  
20 understand that?

21 DEFENDANT NORMAN: Yes.

22 THE COURT: Okay. So there are no charges to  
23 dismiss?

24 MR. ALEXANDER: There aren't, Your Honor. Just  
25 briefly, pursuant to the plea agreement, it was

1 previously discussed during the preliminary change of  
2 plea hearings, there was a term in all of the plea  
3 agreements regarding voluntary abandonment of  
4 cryptocurrency seized during the course of the  
5 investigation.

6 THE COURT: Actually, I do recall that. So  
7 it's not a forfeiture, it's just an abandonment. Have  
8 you secured that?

9 MR. ALEXANDER: Some of it I believe is in FBI  
10 custody. I believe the cryptocurrency belonging to  
11 Mr. Norman, some of which I believe was in the  
12 attorney's custody, but all of which, pursuant to the  
13 terms of the plea agreement, upon conclusion of  
14 sentencing, should be voluntarily abandoned to law  
15 enforcement.

16 THE COURT: Mr. Nesbett has it?

17 MR. ALEXANDER: No. Well, Mr. Nesbett -- I'm  
18 not sure if Mr. Nesbett has it here physically. I think  
19 that is actually in FBI New Orleans custody.

20 THE COURT: Is it just a key?

21 MR. ALEXANDER: USB thumb drive.

22 MR. NESBETT: We helped effectuate some of that  
23 return at the time, but I think that went back with New  
24 Orleans I believe.

25 THE COURT: So I'm a little confused. So you

1 do or don't have it all? That's kind of a yes or no.

2 MR. ALEXANDER: Your Honor, I believe that --  
3 Mr. Stahl can correct me if I'm wrong -- that he has got  
4 custody of --

5 MR. STAHL: My understanding is that the  
6 custody has been -- it was given to FBI in Newark field  
7 office, so they have that.

8 But whatever we need to do, if there is  
9 anything, obviously, we'll effectuate that.

10 THE COURT: Okay. All right. So I will assume  
11 that you'll close the loop on getting it transferred to  
12 the Government of the cryptocurrency.

13 MR. ALEXANDER: That was all, Your Honor, just  
14 consistent with the plea agreement. I have no reason to  
15 believe it won't happen.

16 MR. STAHL: I have one housekeeping thing to  
17 alert Your Honor. I have already spoken to the court  
18 reporter. Tomorrow my office will be submitting a  
19 transcript request, including the sealed proceedings, in  
20 order for Your Honor to consider.

21 I believe the Government has no objection. I  
22 would like to have the sealed proceedings available to  
23 the Court in New Jersey, Judge Shipp, and also the U.S.  
24 attorney's office and probation for Mr. Jha's sentencing  
25 next week, because this cooperation is being credited

1       there as well. I think it is appropriate to do so.

2               THE COURT: Sure. So you'll get that request  
3       to me.

4               MR. ALEXANDER: My understanding is that that  
5       request is that it will remain under seal in New Jersey  
6       as well.

7               THE COURT: The sealed portion?

8               MR. STAHL: It won't be made public. It will  
9       be submitted to the parties, the Court, the assistant  
10      U.S. attorney and probation.

11              THE COURT: Okay. I will sign off on that to  
12      make sure that you have that available.

13              Okay. Great. Anything else?

14              MR. STAHL: No, Your Honor. Thank you very  
15      much.

16              THE COURT: Mr. Nesbett?

17              MR. NESBETT: No, Your Honor.

18              MR. CURTNER: No, Your Honor. Thank you.

19              THE COURT: Mr. Alexander?

20              MR. ALEXANDER: No, Your Honor. Thank you.

21              THE COURT: All right. Thank you very much.  
22      We'll be in recess.

23              Good luck, gentlemen.

24              DEPUTY CLERK: All rise. This matter is  
25      adjourned. This court now stands adjourned subject to

1 call.

2 (Proceedings concluded at 3:28 p.m.)

3  
4 CERTIFICATE

5 I, Sonja L. Reeves, Federal Official Court Reporter  
6 in and for the United States District Court of the  
7 District of Alaska, do hereby certify that the foregoing  
8 transcript is a true and accurate transcript from the  
9 original stenographic record in the above-entitled  
10 matter and that the transcript page format is in the  
11 conformance with the regulations of the Judicial  
12 Conference of the United States.

13 Dated this 20th day of September, 2018.

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/s/ Sonja L. Reeves  
SONJA L. REEVES, RMR-CRR  
FEDERAL OFFICIAL COURT REPORTER